WEEKLY ECONOMIC REVIEW

June 9, 2006

Global equity markets pulled back sharply through most of the week, following comments from U.S. Federal Reserve Board officials hinting that higher interest rates may be needed to combat rising U.S. inflation. In addition, a number of central banks (including the European Central Bank) raised interest rates this week, fuelling market concerns about the impact of rising interest rates on global economic growth.

Expectations of higher U.S. interest rates fuelled a strong rally in the U.S. dollar, which gained against most global currencies.

Canada's trade surplus fell to $4.1 billion in April (from a revised $5.3 billion in March), as exports declined 2.3 per cent.

The Canadian economy added 96,700 jobs in May, far exceeding market expectations. Full-time positions increased by 150,800 – the largest such increase on record.

The buoyant Canadian jobs report provided a major boost to Canadian dollar, which had fallen to under 89 cents U.S. earlier in the week. The dollar jumped back to over 90 cents U.S. in Friday morning trading.

Cdn Dollar (C¢/US$)

June	9, 2006	90.3¢
June	2, 2006	90.9¢
2006-07 YTD		89.1¢

WTI Oil US$/bbl

June	8, 2006	$70.35
June	1, 2006	$70.34
2006-07 YTD		$70.74

Nymex Natural Gas C$/mcf*

July Contract

June	9, 2006	$6.97
June	2, 2006	$7.29

*Estimate based on Nymex Futures Market Price

The Alberta economy added 31,600 jobs in May. This was the highest one-month increase on record, bringing year-to-date job gains to almost 65,000, and lowering Alberta's unemployment rate to 3.4 per cent.

Alberta's housing sector also continues to boom. Through May, Alberta's housing starts are running 20.4 per cent ahead of the pace set in 2005, when they reached a 27-year high.

Economic Indicators Released this Week	Reference Period	Month/Previous Month	Month/Previous Year's Month	Year-to-date[1]
Employment (May)	**Monthly Change**			
Alberta	+31,600	1.7%	5.2%	3.6%
Canada	+96,700	0.6%	2.3%	1.9%
Housing Starts[2]	**May**			
Alberta	49,100	9.6%	1.9%	20.4%
Canada	216,800	-0.5%	-3.0%	7.3%
New House Price Index	**April**			
Alberta	193.3	4.9%	32.9%	25.8%
Canada	148.1	1.4%	8.8%	7.5%
Canadian International Trade ($ Millions)	**April**			
Exports	37,146	-2.3%	2.4%	5.5%
Imports	33,076	1.2%	4.8%	3.6%
Trade Balance	4,070	-23.7%	-13.8%	18.9%

Source: Statistics Canada and Canadian Mortgage and Housing Corporation

[1] *Year-to-date 2006 compared to the same time period in 2005. For example: January-April 2006 versus January-April 2005*

[2] *Seasonally Adjusted at Annual Rates*